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C O N F I D E N T I A L SECTION 01 OF 02 BRUSSELS 000361

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TAGS: [PREL](#) [KNNC](#) [ETTC](#) [ETRD](#) [EFIN](#) [IR](#) [EUN](#)

SUBJECT: IRAN: MARCH 3 EU DEBATE ON SANCTIONS AND U.S.  
POLICY REVIEW

REF: A. A) BRUSSELS 174  
[1](#)B. B) BRUSSELS 205

Classified By: Chris Davis, USEU Political-Minister Counselor for reasons 1.5(d) and (e)

[1](#)1. (C/NF) SUMMARY: On March 3, EU Political and Security Council Ambassadors held an inconclusive debate on Iran policy with a view toward framing a response to the U.S. Iran policy review. Council Secretariat DirGen Robert Cooper circulated a draft paper detailing the purely military nature of the Iranian nuclear program. While no one disputed its contents, some expressed uncertainty about time estimates for Iran to achieve a nuclear weapons capability. Cooper, supported by the EU-3, Italy, Poland, and Hungary argued that bigger sticks were needed to match bigger carrots that may soon be offered to Iran by the United States. All 27 member states intervened in the debate, largely along familiar lines. However, in a departure from previous discussions, Cyprus, Sweden, Spain and Greece all attempted to establish a link between Iran's decision to pursue a nuclear capability and the lack of progress in the Middle East peace process. Some EU member states also underscored the importance of pursuing dialogue with Iran and other regional players on Afghanistan and Iraq. END SUMMARY.

Solana's Deputy Urges EU to Prepare to Act

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[1](#)2. (C/NF) Over the last week, friendly EU and a third country contacts provided detailed read-outs of the March 3 EU-27 Political and Security Council (PSC) Ambassadors debate on Iran policy. Robert Cooper, Council Secretariat Director General (and Deputy to High Rep Solana on Iran nuclear negotiations), distributed to member states a written assessment of developments in Iran's nuclear program that pointed to a purely military purpose. No one in the room disputed the conclusion of the paper or its underlying analysis. However, some PSC Ambassadors expressed uncertainty about time estimates for Iran to achieve a nuclear weapons capability. Reprising his argument from the February 6 PSC debate on Iran (REF B), Cooper noted that the diplomatic track had not succeeded thus far, and that international effort had to succeed this year in making Iran an offer it could not refuse. The United States needed to design carrots as well as coercive measures Iran would not be able to stand. For its part, the EU needed to act urgently to prepare bigger sticks, including new designations of Iranian banks and other entities, to be helpful to the U.S. effort.

## Member State Interventions

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¶3. (C//NF) All 27 EU member states' representatives reportedly intervened in the inconclusive debate. Following are the highlights reported by EU and third country contacts:

¶4. (C//NF) Cyprus, Greece, and Sweden all spoke to Iran's possible motivations for pursuing a nuclear capability. The three countries suggested that Iran's intentions and calculations were linked to insecurity in the Middle East and the lack of progress in the peace process. Cyprus and Greece further asserted that Iran wanted a nuclear weapon because of Israel's presumed nuclear capability and for greater prestige in the region. They stressed the importance of two incentives: improving regional stability and the need for a USG security guarantee for Iran. Sweden (which takes over the EU Presidency in July) agreed that the U.S. needed to engage Iran directly on Afghanistan and Iraq. The Swedes also believed the EU should talk to Gulf states, Turkey and Israel about the nexus of the regional situation and the nuclear standoff. The Irish PSC rep believed the EU should approach the U.S. regarding "positive engagement" with Iran. Several member states also spoke of the need to get China and Russia on board. Slovenia specifically supported action through the UN Security Council.

¶5. (C//NF) Spain doubted that Tehran would offer a response to any U.S. or P5 1 offer of engagement until after the Iranian Presidential elections in June. Ireland bemoaned the fact that Iran seemed unwilling and unmoved by anything on offer thus far and that it had the capacity to "spoil Lebanon

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and Gaza." Portugal agreed that sanctions had failed to "bother" Iran thus far. Furthermore, the Portuguese suggested that the threshold for firmer sanctions should be Iranian moves to quit the Nuclear Non-Proliferation Treaty (NPT) and kick out IAEA monitors.

¶6. (C//NF) Conversely, Italy, the UK, Germany, Poland, and Hungary all expressed support for quick action on tougher sanctions. Cooper emphasized that the international community needed to succeed this year. He pointed out that failure would mean facing two bad options: the military option (by the United States, Israel or some form of coalition); or a nuclear Iran (leading to regional nuclear proliferation and some kind of fragile mutual deterrence between Iran and Israel). The French PSC Ambassador added that a nuclear-armed Iran posed a security threat to Europe because Shahab missiles could reach European territory.

## COMMENT

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¶7. (C//NF) The arguments presented by the EU's pro- and anti-sanctions camps are strikingly different: time-definite and security-driven versus abstract, political and open-ended. The PSC's inconclusive policy debate took place only hours before a U.S. Treasury delegation presentation to over 70 EU member state experts on targeting illicit conduct by specific Iranian financial and transport entities (septels). While it is too soon to gauge the impact of the USDel's presentation, we are confident that its pointed message on the need for tougher EU sanctions reached all 27 EU capitals as well as PSC Ambassadors. The Czechs have not placed Iran on the agendas of the GAERC (EU-27 Fonmins) or European Council meetings, March 16 and 19 respectively. However, it is possible that member state could exchange views on Iran at the informal foreign ministers meeting (aka "the Gymnich") on March 27-28. END COMMENT.

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